

ILLINOIS

Illinois Enacts Artificial Intelligence Employment Law

Provided to you by **Employco USA, Inc.**

On Aug. 9, 2024, Illinois enacted an [amendment](#) to the Human Rights Act that bans employers from using artificial intelligence (AI) that results in discrimination based on an employee's protected class. It also requires employers to notify employees that AI is being used. The law takes effect on **Jan. 1, 2026**.

Restrictions on the Use of AI

The law prohibits employers from using AI that results in the discrimination of employees on the basis of protected classes (e.g., age, race, sex, religion or disability) with respect to recruitment; hiring; promotion; renewal of employment; selection for training or apprenticeship; discharge; discipline; tenure; and the terms, privileges or conditions of employment. The law also bans AI that uses an individual's ZIP code as a proxy for their protected class.

Under the law, "AI" means a machine-based system that, for explicit or implicit objectives, infers from the input it receives how to generate outputs such as predictions, content, recommendations or decisions that can influence physical or virtual environments (including generative AI).

Notice Requirement

Employers must provide notice to an employee that the employer is using AI for the purpose of making any employment decisions.

Next Steps for Employers

To prepare for the 2026 effective date, Illinois employers may consider:

- Assessing current AI systems to ensure they are nondiscriminatory;
- Preparing written notifications to be provided to employees regarding the use of AI; and
- Training employees (such as HR personnel) who use such AI tools on their obligations.

Employers should also monitor for forthcoming rules from the Illinois Department of Human Rights, which will provide guidance for complying with the new law. While Illinois is only the second state to enact such legislation, similar AI laws have been proposed in other states, so employers should also monitor for AI-based discrimination laws in other jurisdictions.

Highlights

Aug. 9, 2024

Illinois passed AI legislation, banning the use of discriminatory AI in employment decisions and requiring notice to employees of the use of AI.

Jan. 1, 2026

The new AI legislation takes effect.

Effective Jan. 1, 2026, Illinois employers may not use discriminatory AI in employment decisions.